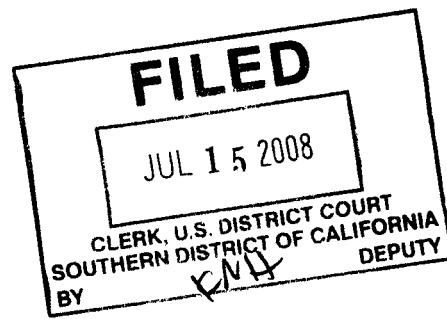


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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

11
12 UNITED STATES OF AMERICA,
13 Plaintiff,
14 v.
15 RAFAEL SANTIAGO (1),
16 ABNER BETECH (2),
17 SAID BETECH (3),
AVIVA BETECH (4),
ANGEL ARMENDARIZ (5),
LUCETTE MONTANE (6),
18 Defendants

Case No. 08MJ1855

EX PARTE PETITION FOR ORDER
PERMITTING DISCLOSURE OF GRAND
JURY MATERIAL, TOGETHER WITH
STATEMENT OF FACTS AND
MEMORANDUM OF POINTS AND
AUTHORITIES, AND ORDER PERMITTING
DISCLOSURE OF SEARCH WARRANT
AND GRAND JURY MATERIAL, AND
PROTECTIVE ORDER

Judge: Honorable Nita L. Stormes

21 The United States of America, by and through its counsel, Karen P. Hewitt, United States
22 Attorney, and Christopher M. Alexander, Assistant U.S. Attorney, moves this Court for an order
23 permitting the disclosure and use of matters occurring before the grand jury to defense counsel, pursuant
24 to Federal Rule of Criminal Procedure 6(e)(3)(E)(i). This Motion is based upon the attached statement
25 of facts, memorandum of points and authorities.

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STATEMENT OF FACTS

3 Creative Financial Solutions, Inc. ("CFS") was a mortgage brokerage firm located at 707
4 Broadway Avenue, Suite 1720, San Diego, California. CFS provided property financing for buyers.
5 CFS was owned and operated by Defendants ABNER BETECH ("ABNER") and SAID BETECH
6 ("SAID"). Defendants RAFAEL SANTIAGO ("SANTIAGO"), ABNER, SAID, AVIVA BETECH
7 ("AVIVA"), ANGEL ARMENDARIZ ("ARMENDARIZ"), and LUCETTE MONTANE
8 ("MONTANE") were loan officers at CFS. CFS Realty, a sister company that was located in the same
9 office suite, was run by AVIVA. CFS Realty provided realty services for clients that were looking to
10 purchase a home. According the California Department of Real Estate on-line public license search, on
11 February 13, 2002, AVIVA was issued "salesperson" license. It expires on July 17, 2010.

12 In about 2005, ABNER, SAID, and others started CFS. CFS sent loan application packages and
13 other documents to lenders for review and funding. CFS did not itself fund loans, but received
14 commissions from lenders when loans closed.

15 Beginning in about a date unknown, and continuing through at least November 2006,
16 SANTIAGO, ABNER, SAID, AVIVA, ARMENDARIZ, and MONTANE (collectively, "Defendants")
17 were loan officers at CFS. As loan officers, SANTIAGO, ABNER, SAID, AVIVA, ARMENDARIZ,
18 and MONTANE sent, cause to be sent, or aided and abetted the sending of loan application packages
19 and other documents to lenders for review and funding, and received commissions from lenders when
20 loans closed. In addition to commissions, SANTIAGO, ABNER, SAID, AVIVA, ARMENDARIZ, and
21 MONTANE received payments from lenders, the sellers, and buyers when loans closed.

22 Through investigation, the FBI has learned that CFS and CFS Realty were engaged in an
23 extensive mortgage fraud scheme. CFS's scheme had two components. First, CFS obtained mortgage
24 loans for unqualified and unknowing borrowers by submitting fraudulent mortgage loan applications.
25 Some of the unqualified borrowers did not know they were purchasing properties and had their identities
26 stolen. For each transaction, CFS or CFS Realty would receive a commission. Second, CFS utilized
27 inflated values on the properties purchased. The difference between the actual value and the inflated
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1 value would be given as a "kickback" at closing to the buyer, mortgage broker, and realtor. Some of the
 2 money for the kickback was paid by the seller and some of it was paid out of escrow as specified on the
 3 finalized HUD-1 of the transaction.

4 On June 13, 2008, Magistrate Judge Peter Lewis signed a Complaint in the Southern District of
 5 California charging Defendants ABNER, SAID, AVIVA, SANTIAGO, ARMENDARIZ, and
 6 MONTANE with wire fraud, in violation of 18 U.S.C. § 1343. In addition, on June 13, 2008, Magistrate
 7 Judge Lewis signed arrest warrants for Defendants and search warrants. On June 16, 2008, the FBI and
 8 Internal Revenue Service ("IRS") executed arrests at the last known addresses of ABNER, SAID, and
 9 AVIVA. However, on June 16, 2008, agents were unable to locate SANTIAGO, ARMENDARIZ, and
 10 MONTANE and they were still at large as fugitives. Additionally, during the week of June 16, 2008,
 11 FBI and IRS agents executed search warrants.

12 On June 24, 2008, in the morning hours, ARMENDARIZ self-surrendered. Later that afternoon,
 13 at approximately 1:30 p.m., SANTIAGO was arrest at the Luxe Hotel Room 243 located in Los Angeles,
 14 California. MONTANE remains at large.

15 Defendants have made an informal request for discovery. To comply with this request, the
 16 United States is requesting permission to disclose some grand jury information.

17 II

18 **ARGUMENT**

19 **Rule 6(e)(3)(E)(i) Allows For the Requested Disclosure**

20 Rule 6 provides that "[t]he court may authorize disclosure—at a time, in a manner, and subject
 21 to any other conditions that it directs—or a grand-jury matter."

22 (i) preliminary to or in connection with a judicial proceeding;
 23 Fed. R. Crim. P. 6(e)(3)(E)(i). The grand jury information in this case consists of testimony and
 24 documents subpoenaed by the grand jury. Although a reasonable argument can be made that such
 25 information is not discoverable under Federal Rule of Criminal Procedure 16(a)(1)(E), this request is
 26 made out of an abundance of caution so as not to create unnecessary delay or discovery issues.

27 In addition, because of the searches have been executed, the United States moves to unseal the
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1 search warrants and affidavits associated with these Defendants including 08MJ1853 and 08MJ1854.

2 III

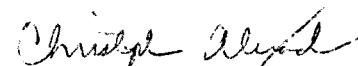
3 **CONCLUSION**

4 For the reasons stated herein, the United States' Ex Parte Petition for Disclosure of Grand Jury
5 Materials, pursuant to Federal Rule of Criminal Procedure 6(e)(3)(E)(i), should be granted. In addition,
6 this Court should order the search warrants and affidavits associated with these Defendants to be
7 unsealed.

8 Dated: July 14, 2008.

9 Respectfully submitted,

10 KAREN P. HEWITT
11 United States Attorney

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13 CHRISTOPHER M. ALEXANDER
14 Assistant U. S. Attorney

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